

State Controller

Analyst: Smith

Historical Summary

OPERATING BUDGET	FY 2019 Total App	FY 2019 Actual	FY 2020 Approp	FY 2021 Request	FY 2021 Gov Rec
BY PROGRAM					
Administration	739,700	660,100	753,100	759,500	1,026,800
Statewide Accounting	5,735,700	4,801,900	5,337,800	5,360,600	5,225,300
Statewide Payroll	4,485,800	4,389,400	4,951,300	4,985,400	4,853,800
Computer Center	10,892,200	7,292,100	7,995,900	8,158,900	8,063,900
Total:	21,853,400	17,143,500	19,038,100	19,264,400	19,169,800
BY FUND CATEGORY					
General	10,951,200	9,846,900	11,032,200	11,095,500	11,095,900
Dedicated	10,902,200	7,296,600	8,005,900	8,168,900	8,073,900
Total:	21,853,400	17,143,500	19,038,100	19,264,400	19,169,800
Percent Change:		(21.6%)	11.1%	1.2%	0.7%
BY OBJECT OF EXPENDITURE					
Personnel Costs	9,630,900	8,169,700	9,112,600	9,390,700	9,415,000
Operating Expenditures	11,954,300	8,603,800	9,881,000	9,851,500	9,732,600
Capital Outlay	268,200	370,000	44,500	22,200	22,200
Total:	21,853,400	17,143,500	19,038,100	19,264,400	19,169,800
Full-Time Positions (FTP)	95.00	95.00	95.00	95.00	97.00

Department Description

The State Controller is one of seven constitutional officers in Idaho. The office is organized into four divisions: Administration, Statewide Accounting, Statewide Payroll, and the Computer Service Center. Statutory Authority: Section 67-1001, Idaho Code.

The Division of Administration includes central support employees, administrative staff, and the Luma management team tasked with implementing the state's new enterprise resource planning system pursuant to Section 67-1021A, Idaho Code. The division is also responsible for administering the state's Section 218 Agreement with the federal Social Security Administration pursuant to Section 59-1101A, Idaho Code.

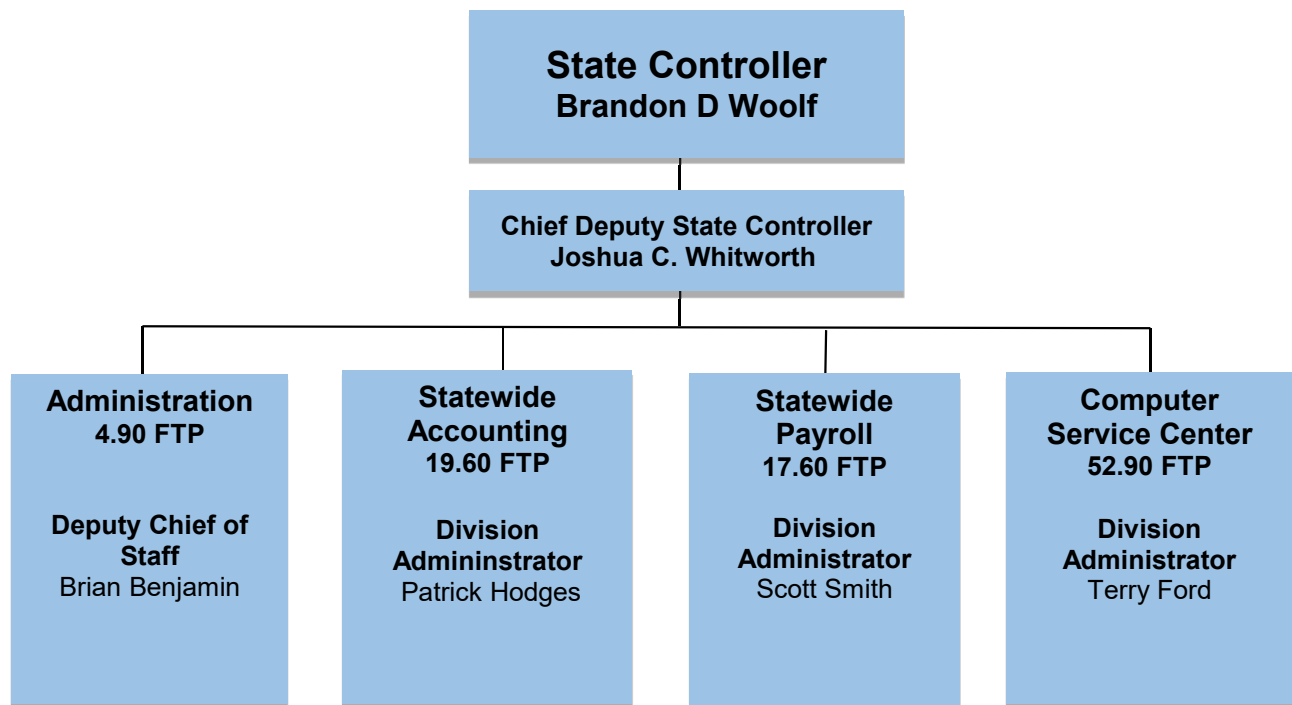
The Division of Statewide Accounting is responsible for maintaining the Statewide Accounting and Reporting System (STARS), preparing statewide and agency-specific financial reports, and processes all vendor payments on behalf of state agencies. The Division of Statewide Payroll is responsible for paying and keeping personnel and payroll records for the state. It accomplishes this through the Employee Information System (EIS), which consists of three major components: position control, personnel, and payroll. The Division of Payroll is also responsible for garnishment processing, tax reporting, interfacing with the Division of Accounting, and electronic fund transfers with major vendors associated with the payroll system. The Accounting and Payroll Divisions are funded by the General Fund with moneys recovered through the Statewide Cost Allocation Plan.

The Computer Service Center maintains one of the State of Idaho's primary data centers and provides computing technologies and environments as well as other technology services including housing, disaster recovery, security, environmental controls, and programing to the Accounting and Payroll divisions, as well as many other state agencies. Statutory Authority: Section 67-1001, Idaho Code.

The Controller serves as secretary for the Board of Examiners, which consists of the Governor, Attorney General, and the Secretary of State, performing all administrative support for claims against the state. The claims are recorded by the Controller and audited by the Legislature. The board examines these audited claims and performs other duties as prescribed by law. The Controller is also a member of the State Board of Land Commissioners, the Idaho Technology Authority (ITA), and the Deferred Compensation and College Savings Boards.

State Controller Organizational Chart

Analyst: Smith



Total Authorized FTP: 95.00
Vacant FTP: 11.00
(as of 12/1/2019)

Pursuant to Section 67-1902(1), Idaho Code, the seven constitutional officers are not required to submit annual Performance Reports to the Division of Financial Management.

**STATE OF IDAHO
INTERNAL CONTROL REPORT
BASIC FINANCIAL STATEMENTS FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

OFFICE OF THE STATE CONTROLLER (Office)

FINDING 2018-101

The Office's internal review process did not prevent or detect misstatements in the statewide *Comprehensive Annual Financial Report* (CAFR).

Type of Finding: Significant Deficiency

Criteria: The Internal Control Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) provides a basis for organizations to design internal control procedures to ensure reliable financial reporting, effective and efficient operations, and compliance with applicable laws and regulations. Components of this framework include risk assessment and control activities. Risk assessment is the identification and analysis of various risks entities face because of changing economic, industry, regulatory, and operating conditions. It provides a basis to develop appropriate responses to manage those risks. Control activities are policies and procedures that help ensure management directives are carried out and risks are mitigated, including verifications, approvals, reconciliations, authorizations, and segregation of duties that support this objective. Information and communication relates to obtaining quality information and effective internal and external communication of that information to achieve management objectives. Monitoring is the evaluation of results of the internal controls system and remediation of deficiencies in a timely manner.

Management objectives should include the preparation and fair presentation of the CAFR in conformity with accounting principles generally accepted in the United States of America and compliance with applicable laws and regulations.

Idaho Code Section 67-1001(2) requires that the Office submit Generally Accepted Accounting Principles (GAAP) financial statements to the Governor and Legislative Services on or before the first day of January for the preceding fiscal year. The Office achieves compliance through the preparation and submission of the CAFR.

Idaho Code Section 67-1007 states that the State Controller may examine any of the books, papers, accounts, bills, vouchers or other documents of property of any or all of the State officers and custodians of State funds.

Condition: In general, the CAFR was presented with a high level of accuracy. However, immaterial misstatements and presentation errors were either identified by the auditors and communicated to the Office during the audit process or identified by the Office after the financial statements were provided for audit.

The Office implemented a new Governmental Accounting Standards Board (GASB) standard. Some of the amounts related to the new GASB standard reported in the financial statements were incorrect. The associated note disclosures also included several errors and omissions. Portions of the errors and omissions were corrected prior to the issuance of the CAFR.

State Controller

Analyst: Smith

FY 2019 Actual Expenditures by Division

			FTP	PC	OE	CO	T/B	LS	Total
0.30	FY 2019 Original Appropriation								
	0001-00	Gen	43.50	3,874,600	7,049,300	27,300	0	0	10,951,200
	0349-00	Ded	0.00	0	10,000	0	0	0	10,000
	0480-00	Ded	51.50	4,971,800	2,851,700	33,000	0	0	7,856,500
	Totals:		95.00	8,846,400	9,911,000	60,300	0	0	18,817,700
0.41	Prior Year Reappropriation								
	0480-00	Ded	0.00	784,500	2,043,300	207,900	0	0	3,035,700
	Totals:		0.00	784,500	2,043,300	207,900	0	0	3,035,700
1.00	FY 2019 Total Appropriation								
	0001-00	Gen	43.50	3,874,600	7,049,300	27,300	0	0	10,951,200
	0349-00	Ded	0.00	0	10,000	0	0	0	10,000
	0480-00	Ded	51.50	5,756,300	4,895,000	240,900	0	0	10,892,200
	Totals:		95.00	9,630,900	11,954,300	268,200	0	0	21,853,400
1.21	Net Object Transfer								
	0001-00	Gen	0.00	0	(5,000)	5,000	0	0	0
	0480-00	Ded	0.00	(150,000)	(200,000)	350,000	0	0	0
	Totals:		0.00	(150,000)	(205,000)	355,000	0	0	0
1.31	Net Transfer Between Programs								
	0001-00	Gen	0.00	0	0	0	0	0	0
	Totals:		0.00	0	0	0	0	0	0
1.61	Reverted Appropriation								
	0001-00	Gen	0.00	(236,900)	(865,300)	(2,100)	0	0	(1,104,300)
	0349-00	Ded	0.00	0	(5,500)	0	0	0	(5,500)
	0480-00	Ded	0.00	(654,100)	(446,000)	0	0	0	(1,100,100)
	Totals:		0.00	(891,000)	(1,316,800)	(2,100)	0	0	(2,209,900)
1.71	Current Year Reappropriation								
	0480-00	Ded	0.00	(420,200)	(1,828,700)	(251,100)	0	0	(2,500,000)
	Totals:		0.00	(420,200)	(1,828,700)	(251,100)	0	0	(2,500,000)
2.00	FY 2019 Actual Expenditures								
	0001-00	Gen	43.50	3,637,700	6,179,000	30,200	0	0	9,846,900
	General			3,637,700	6,179,000	30,200	0	0	9,846,900
	0349-00	Ded	0.00	0	4,500	0	0	0	4,500
	Miscellaneous Revenue			0	4,500	0	0	0	4,500
	0480-00	Ded	51.50	4,532,000	2,420,300	339,800	0	0	7,292,100
	Data Processing Services			4,532,000	2,420,300	339,800	0	0	7,292,100
	Totals:		95.00	8,169,700	8,603,800	370,000	0	0	17,143,500

State Controller

Analyst: Smith

FY 2019 Actual Expenditures by Division

		FTP	PC	OE	CO	T/B	LS	Total
Difference: Actual Expenditures minus Total Appropriation								
0001-00	Gen		(236,900)	(870,300)	2,900	0	0	(1,104,300)
	General		(6.1%)	(12.3%)	10.6%	N/A	N/A	(10.1%)
0349-00	Ded		0	(5,500)	0	0	0	(5,500)
	Miscellaneous Revenue		N/A	(55.0%)	N/A	N/A	N/A	(55.0%)
0480-00	Ded		(1,224,300)	(2,474,700)	98,900	0	0	(3,600,100)
	Data Processing Services		(21.3%)	(50.6%)	41.1%	N/A	N/A	(33.1%)
Difference From Total Approp			(1,461,200)	(3,350,500)	101,800	0	0	(4,709,900)
Percent Diff From Total Approp			(15.2%)	(28.0%)	38.0%	N/A	N/A	(21.6%)

State Controller

Comparative Summary

Analyst: Smith

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2020 Original Appropriation	95.00	11,032,200	19,038,100	95.00	11,032,200	19,038,100
Reappropriation	0.00	0	2,500,000	0.00	0	2,500,000
Sick Leave Rate Reduction	0.00	0	0	0.00	(9,300)	(21,400)
1% Onetime General Fund Reduction	0.00	0	0	0.00	(110,300)	(110,300)
FY 2020 Total Appropriation	95.00	11,032,200	21,538,100	95.00	10,912,600	21,406,400
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2020 Estimated Expenditures	95.00	11,032,200	21,538,100	95.00	10,912,600	21,406,400
Removal of Onetime Expenditures	0.00	(30,800)	(2,552,400)	0.00	(30,800)	(2,552,400)
Restore Ongoing Rescissions	0.00	0	0	0.00	119,600	131,700
FY 2021 Base	95.00	11,001,400	18,985,700	95.00	11,001,400	18,985,700
Benefit Costs	0.00	89,100	199,600	0.00	(21,200)	(50,000)
Replacement Items	0.00	0	25,000	0.00	0	25,000
Statewide Cost Allocation	0.00	(28,300)	(24,400)	0.00	(28,300)	(24,400)
Change in Employee Compensation	0.00	33,300	78,500	0.00	64,700	153,600
FY 2021 Program Maintenance	95.00	11,095,500	19,264,400	95.00	11,016,600	19,089,900
1. Criminal Justice Integrated Data System	0.00	0	0	2.00	298,800	298,800
OITS 1 - Operating Costs	0.00	0	0	0.00	700	1,300
2% General Fund Reduction & Exemptions	0.00	0	0	0.00	(220,200)	(220,200)
FY 2021 Total	95.00	11,095,500	19,264,400	97.00	11,095,900	19,169,800
Change from Original Appropriation	0.00	63,300	226,300	2.00	63,700	131,700
% Change from Original Appropriation		0.6%	1.2%		0.6%	0.7%

State Controller

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2020 Original Appropriation	95.00	11,032,200	8,005,900	0	19,038,100

Reappropriation

The Computer Service Center was authorized to reappropriate or carryover its unencumbered and unspent dedicated fund appropriation balance, not to exceed \$2,500,000, from FY 2019 into FY 2020, pursuant to Section 4 of S1191 of 2019. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2021 Base.

Agency Request	0.00	0	2,500,000	0	2,500,000
Governor's Recommendation	0.00	0	2,500,000	0	2,500,000

Sick Leave Rate Reduction

Agency Request	0.00	0	0	0	0
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The Governor recommends a six-month reduction of funding for employers who contribute to the PERSI-managed sick leave plan. This reduction will begin to draw down the reserve balance, which has grown significantly during the past several years.

Governor's Recommendation	0.00	(9,300)	(12,100)	0	(21,400)
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1% Onetime General Fund Reduction

Agency Request	0.00	0	0	0	0
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The Governor recommends a onetime 1% General Fund rescission.

Governor's Recommendation	0.00	(110,300)	0	0	(110,300)
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FY 2020 Total Appropriation					
Agency Request	95.00	11,032,200	10,505,900	0	21,538,100
Governor's Recommendation	95.00	10,912,600	10,493,800	0	21,406,400

Noncognizable Funds and Transfers

The agency requests a net-zero transfer of FTP between its four divisions to allocate Administration Division staff across its three other divisions. This adjustment is requested annually to reflect changes in staff distribution by division. The distribution is as follows: 0.45 FTP added to Administration, 1.03 FTP removed from Statewide Accounting, 0.02 FTP removed from State Payroll, and 0.60 FTP added to the Computer Service Center.

Agency Request	0.00	0	0	0	0
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Recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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FY 2020 Estimated Expenditures					
Agency Request	95.00	11,032,200	10,505,900	0	21,538,100
Governor's Recommendation	95.00	10,912,600	10,493,800	0	21,406,400

Removal of Onetime Expenditures

This action removes onetime amounts appropriated and reappropriated in FY 2020 before calculating the FY 2021 Base.

Agency Request	0.00	(30,800)	(2,521,600)	0	(2,552,400)
Governor's Recommendation	0.00	(30,800)	(2,521,600)	0	(2,552,400)

Restore Ongoing Rescissions

Agency Request	0.00	0	0	0	0
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The Governor recommends restoration of the 1% General Fund rescission and sick leave rate reduction.

Governor's Recommendation	0.00	119,600	12,100	0	131,700
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FY 2021 Base					
Agency Request	95.00	11,001,400	7,984,300	0	18,985,700
Governor's Recommendation	95.00	11,001,400	7,984,300	0	18,985,700

State Controller

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Benefit Costs					
Employer-paid benefit changes include an 18.9% increase (or \$2,200 per eligible FTP) for health insurance, bringing the total appropriation to \$13,850 per FTP. Also included are a one-year elimination of the unemployment insurance rate and adjustments to workers' compensation that vary by agency.					
Agency Request	0.00	89,100	110,500	0	199,600
<i>The Governor recommends no increase for health insurance due to fewer claims than expected and changes to federal tax policies; a one-year elimination of the sick leave rate and the unemployment insurance rate; restoration of the Division of Human Resources rate; and adjustments for workers' compensation rates.</i>					
Governor's Recommendation	0.00	(21,200)	(28,800)	0	(50,000)
Replacement Items					
In accordance with its three-year repair and maintenance schedule, the agency requests \$25,000 from the Data Processing Services Fund to replace 12 laptops and ten monitors.					
Agency Request	0.00	0	25,000	0	25,000
Governor's Recommendation	0.00	0	25,000	0	25,000
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management costs will decrease by \$32,700, State Controller fees will increase by \$8,400, and State Treasurer fees will decrease by \$100, for a net reduction of \$24,400.					
Agency Request	0.00	(28,300)	3,900	0	(24,400)
Governor's Recommendation	0.00	(28,300)	3,900	0	(24,400)
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	33,300	45,200	0	78,500
<i>The Governor recommends a 2% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
Governor's Recommendation	0.00	64,700	88,900	0	153,600
FY 2021 Program Maintenance					
Agency Request	95.00	11,095,500	8,168,900	0	19,264,400
Governor's Recommendation	95.00	11,016,600	8,073,300	0	19,089,900
1. Criminal Justice Integrated Data System					
					Administration
Agency Request	0.00	0	0	0	0
<i>The Governor recommends 2.00 FTP, \$198,800 in ongoing personnel costs, and \$100,000 in ongoing operating expenditures from the General Fund to establish the Criminal Justice Integrated Data System. This system will serve as a centralized data repository to aid in evaluating the effectiveness of the criminal justice system and enable data-driven, cost-saving decision making on issues facing the criminal justice system in Idaho. The system will create the legal framework by which the various criminal justice agencies and departments can share, integrate, merge, observe, examine, and research siloed data in a way that protects sensitive or legally-protected personal information. This recommendation is contingent on the successful passage of legislation.</i>					
Governor's Recommendation	2.00	298,800	0	0	298,800
OITS 1 - Operating Costs					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends this agency's share of ongoing funding to pay the Office of Information Technology Services for security software and data center office space located at the Chinden Campus.</i>					
Governor's Recommendation	0.00	700	600	0	1,300

State Controller

Analyst: Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2% General Fund Reduction & Exemptions					
CARRYOVER: The agency requests authority to carryover its unencumbered and unspent appropriation balances for the Data Processing Services Fund, the dedicated fund for the Computer Service Center (CSC), from FY 2020 into FY 2021. Carryover requires legislative approval. The CSC works with the Divisions of Statewide Accounting and Payroll and other state agencies to maintain and enhance Idaho's financial and payroll systems and processes. The CSC also provides data processing systems and a shared data center environment and offers equipment consolidation, disaster recovery, and other IT services for agencies that choose to utilize its services. The CSC requests the continuance of carryover authority in FY 2021 to help meet the variable and changing needs of its customers and to maintain flexibility to negotiate better pricing and contract terms with vendors for substantial technology purchases the center makes on behalf of state agencies.					
Agency Request	0.00	0	0	0	0
The Governor recommends a 2% onetime General Fund reduction in operating expenditures. To accomplish this reduction the Governor also recommends an exemption from Section 67-3511 (1), (2), and (3), Idaho Code, allowing unlimited transfers of all appropriated moneys among personnel costs, operating expenditures, capital outlay, and trustee and benefit payments, as well as between budgeted programs. This exemption requires legislative approval. The reduction for the State Controller is recommended on a onetime basis and will need to be restored to the FY 2022 Base in the State Controller's FY 2022 budget request.					
The Governor also recommends authority for the Computer Service Center (CSC) to carryover its unencumbered and unspent appropriation balances for the Data Processing Services Fund from FY 2020 into FY 2021, contingent on legislative approval.					
Governor's Recommendation	0.00	(220,200)	0	0	(220,200)
FY 2021 Total					
Agency Request	95.00	11,095,500	8,168,900	0	19,264,400
Governor's Recommendation	97.00	11,095,900	8,073,900	0	19,169,800
Agency Request					
Change from Original App	0.00	63,300	163,000	0	226,300
% Change from Original App	0.0%	0.6%	2.0%		1.2%
Governor's Recommendation					
Change from Original App	2.00	63,700	68,000	0	131,700
% Change from Original App	2.1%	0.6%	0.8%		0.7%